

Concise Explanatory Statement (RCW 34.05.325(6))  
Business Transfer Rules

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Nov. 20, 2007

Reasons for Rules: These rules generally replace and consolidate current rules on the transfer of a business into a new WAC chapter. They provide more guidance for both businesses and regulators. They also implement Chapter 47, Laws of 2006 (SSB 6359 from 2006) For more details, see Written Testimony of Employment Security Department at the public hearing on Nov. 8, 2007, available in the rules file.

Differences from Proposed Rules Published in CR-102: None.

Comments Received on Proposed Rules Published in CR-102: None. See Written Testimony (cited above) for documentation of involvement by stakeholders prior to this.

Comments Received Prior to Proposed Rules:

Representatives of business organizations recommended:

- Use totality of circumstances to determine predecessor-successor relationship.
- Rules should not further compromise business's position on 2006 legislation for a "substantial purpose" of SUTA-dumping.
- Do not allow a rebuttable presumption to shift the burden of proof.

Representatives of labor organizations recommended:

- Establish a rebuttable presumption for establishing a "significant purpose" for SUTA-dumping.
- Rules should not further compromise labor's position on 2006 legislation for any "purpose" of SUTA-dumping.

Results:

The final rules did not establish a rebuttable presumption for SUTA-dumping. Instead, they define "significant purpose" and list examples of factors which ESD may use to show a "significant purpose." This accomplishes much of the purpose of a rebuttable presumption without shifting the burden of proof.